

June, 2017

LABOR REFORM – UNION’S RIGHT TO ACCESS FINANCIAL INFORMATION

Pursuant to Law 20.940 (the “Labor Reform”) which has entered into full force as of April 1st, 2017, employers have the obligation to periodically deliver certain documents to unions, which varies depending on the company’s size.

1 Large Companies

Companies that have 200 employees or more, must provide the following information on a yearly basis:

- Balance Sheet;
- Income Statement;
- Audited Financial Statements; and
- All public information that, according to the legislation currently in force, must be delivered to the Superintendence of Securities and Insurances (“SVS”).

This information must be delivered within 30 days counted from the date in which the documents were available or delivered to the SVS, as applicable.

2 Micro, small and medium-size companies

Companies that have between 1 to 199 employees must deliver each year information regarding their incomes and expenses declared before the local Internal Revenue Service (“Servicio de Impuestos Internos”) for income tax purposes, pursuant to the tax regime to which the company is subject. This information must be delivered within 30 days following to the company’s annual income tax statement. If such documents are not delivered within the legal term, affected Unions may request the intervention of the Labor Board. In case the company insists on not providing the corresponding documents, unions may file a claim before the Labor Courts for these purposes.



If you have any questions regarding the matters discussed in this memorandum, please contact the following attorneys or call your regular Carey contact.

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